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# GREEN BAY MINING & EXPLORATION LTD.

*First Annual Report*

SEPTEMBER 1, 1956



# GREEN BAY MINING & EXPLORATION LTD.

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*Head Office: Royal Trust Building, Edmonton, Alberta, Canada*

*Field Office: 206 — 35 Main Street, Flin-Flon, Manitoba*

## **ANNUAL MEETING OF STOCKHOLDERS**

*October 13, 1956*

*McDonald Hotel, Edmonton*



## **BOARD OF DIRECTORS**

*G. R. P. Graham*  
*Victor House*  
*M. A. Miles, CHAIRMAN*  
*Michael Phillet*  
*C. G. Polvliet*  
*Charles R. Stahl*

## **EXECUTIVE OFFICERS**

*Michael Phillet, PRESIDENT*  
*M. A. Miles, VICE-PRESIDENT*  
*B. V. Massie, SECRETARY*

## **AUDITORS**

*Kinnaird Aylen & Co., Edmonton*

## **REGISTRAR & TRANSFER AGENTS**

*Prudential Trust, Edmonton*  
*Canadian Bank of Commerce Trust Co., New York*

## **BANKERS**

*Bank of Nova Scotia, Edmonton*

## **SOLICITORS**

*Lindsay, Emery, Ford, Massie, Jamieson*  
*& Lambert, Edmonton*  
*Jack Blinkoff, Esq., New York*

## REPORT OF THE DIRECTORS

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### *To the Shareholders:*

The first annual report of your company is respectfully submitted herewith. It includes the auditors' report on the financial statement of the company for the year ended June 30, 1956, and a review of operations to date.

Since incorporation on May 26, 1955, in addition to the 8 groups of 64 mineral claims which the company originally acquired in the Beaver Lodge area of the Athabasca district in the province of Saskatchewan, the company has acquired or optioned the following during the period under review:

- 50% interest in 7 claims in the Kootenay mining district of British Columbia;
- 126 claims located at the north west end of Planinshek Lake, northern Saskatchewan;
- 32 claims in the Johnson Lake area near Herb Lake, in Manitoba. In addition, 2 groups of 18 and 20 claims adjoining the above property at Herb Lake;
- 2 groups of 20 claims in the Highland Valley in British Columbia;
- 42 mineral claims on the west side of Hammel Lake, about 3 miles to the north west of Flin-Flon, Manitoba;



- 60 claims situated on the east side of Caviar Lake, 45 miles to the south east of the town of Kenora, Ontario;
- 96 claims in the Snow Lake area, Manitoba, adjoining the property of Hudson Bay Mining & Smelting;
- 36 claims in the Lake La Ronge area, Saskatchewan;
- 65 claims at High Lake, in the district of Kenora, Ontario.

In addition, on April 10, 1956, your company bought the control of Twin Bay Uranium Ltd. This investment has at present a market valuation of approximately \$825,000.

The total acreage controlled by the company amounts today to 25,500 acres.

Five operation areas were established. The following is the work done in each of these areas.

### **Operation Area No. 1: Manitoba**

At Herb Lake, 10,000 feet of drilling was completed by March 14th on dike No. 1 by Midwest Diamond Drilling Company.

On that date, the company geologists estimated the indicated tonnage of lithium ore at close to two million tons of 1.4% lithium oxide in dike No. 1. The company intends to do further drilling to confirm these estimates. Dike No. 5 which appears to be 1000 feet long and 40 feet wide contains the best spodumene with lithium oxide assays, thus far, running from 2.42% to 7.28%. The largest dike is No. 7, which appears to be over 1500 feet long and 80 feet wide. Initial holes drilled on these dikes and on dikes No. 3 and No. 5 are extremely encouraging. A visual estimate of the available tonnage from all the dikes now tops the previous estimates by millions of tons. In the opinion of the management, however, all these figures should be confirmed by additional drilling before acceptance, and the company proposes therefore to drill up to 60,000 feet on this property if necessary, so that these results can be properly evaluated.



The geologists of the company have also suggested that this property may be suitable for open pit recovery for a period of at least two years, and the company is seeking to check further this possibility.

In addition, a commercial grade of gold has just been found, the first assay (11 feet of 7¼ lbs.) ran around \$6.00 per ton, but the extent and the value of this find, since it has just occurred, cannot be determined as of this date.

The company intends to do further drilling and an estimate of the available tonnage will then be prepared. Other minerals, which are presently on this property but not yet evaluated, are beryllium, columbium, feldspar, mica; work is starting on a 2 mile long sulphide zone recently discovered.

In operation area No. 1 also, 2 drill holes have been completed at Hammel Lake. The results of this preliminary drilling are inconclusive. Drilling will resume on these claims this winter, since it is much easier to drill through the frozen surface of the lake.

In the same operation area, the claims at Snow Lake were staked by the company surveyors and thus acquired at no cost. The line cutters are at work now; magnometer and EM. surveys will then be carried out. These claims are immediately adjacent to the Hudson Bay Mining & Smelting Co. recent discovery and the company has high hopes for this property.

## **Operation Area No. 2: British Columbia**

In Highland Valley, exploration work has been completed. Your company is now awaiting the results of the chemical analyses of the soil samples presently conducted by the University of Vancouver. The expectation is that a large low grade copper deposit is present on this property.

At Kimberley, preparatory and exploration work has been completed. Drilling is under way according to the plans worked out by Dr. Victor Mean, Professor of Geology at Toronto University. The assays of samples from this property have shown an extremely high copper percentage, but the company does not desire to furnish figures until further exploratory work has been completed and evaluated.

### **Operation Area No. 3: Kenora**

At Caviar Lake, the preparatory and exploration work has been completed to the extent here shown. Two drills are presently working on this property. To date approximately 3,500 feet of drilling has been completed and 2 deep holes of 2,000 feet each are about to be drilled. The assay samples from this property thus far show a grade of ore containing nickel, cobalt and copper, which promise to be of commercial value.

At High Lake, exploration work started a few weeks ago and a drilling program has just begun.

### **Operation Area No. 4: Saskatchewan**

Prospecting work has been done on the 126 claims at Planinshek Lake; further work has been postponed.

Exploratory work has been begun on 36 claims at Lake La Ronge, where a copper discovery has been made. A survey prepared by the Government of Saskatchewan shows an anomaly high on the property, where a 1000 feet long zone with high grade copper running up in spots to 5% and \$2-\$4 gold per ton has been uncovered. One drill is in operation on this property and further drilling will be carried out to determine the extent of this discovery.

### **Operation Area No. 5: Beaver Lodge Area**

As of this date no work has been done on any of the company's uranium claims. However, one drilling crew is working on the Twin Bay properties. Drilling so far has not shown any conclusive results.



In addition to the mining work being carried out on the properties, the company's management has concerned itself with the exploitation of its properties. It has engaged the engineering consultant firm of Al P. Wilson, of New York, to prepare a market survey for lithium uses in the United States, and the Lummus Company of England for a market survey of lithium in Great Britain.

The Lummus Company of New York, in cooperation with Knowles Associates and the Colorado School of Mines, has been engaged to prepare plans for the erection of a concentrator at Herb Lake. The cost of the "Heavy Media Separation" unit which the management contemplates building has been estimated to be about \$2.2 million. The company has secured the private financing of this project.

The management of your company presently estimates that the Herb Lake property should be in operation by the beginning of 1958.

Presently, your company has 115 men working on its properties. The engineers and geologists working on salary or retainer for your company are the following: John Arnason, P., eng.; Dr. V. B. Mean, M.A. Ph.D.; John Meyers, B.Sc.; Dr. W. R. Newman, Ph.D.; R. J. R. Schaller, P., eng.; J. A. Syme, B.Sc.; Arnold Tuer, P. eng.

The Board of Directors of your company consists of: Michael Phillet, President; M. A. Miles, President of Stahl, Miles & Co., Ltd., Edmonton, Alberta; Charles R. Stahl, Chairman of the Board of De Pontet & Co., Inc., Members New York Stock Exchange, New York; Dr. C. G. Polvliet, managing Director of H. Albert de Bary & Co., N.V., Bankers, Amsterdam, Holland; Victor House, a senior partner of Bennet, House & Coutts, New York, Attorneys at Law; G. R. P. Graham, General Superintendent of Canadian National Railway, Edmonton, Alberta.

The Directors express their appreciation for the excellent work done by all the employees, consultants and associates of the company and are highly gratified with the results achieved to date.

*Michael Phillet*, PRESIDENT

# GREEN BAY MINING

(Incorporated under the laws of the Province of Ontario)

## BALANCE SHEET

June 30, 1956

### Assets

#### Current

Cash on hand and in banks . . . . .	\$ 34,937.87
Cash on call with foreign investment company at interest . . . . .	480,000.00
Accounts receivable . . . . .	<u>894.41</u>
<i>Total current assets</i>	<u>515,832.28</u>

#### Mineral Claims and Leases

Mineral claims and leases—at cost . . . . .	\$ 71,430.00
Payments on options to purchase mineral claims and leases . . . . .	<u>27,000.00</u>
	98,430.00

#### Investment in Twin Bay Uranium Limited—at cost (see Note A)

550,000 shares (subject to an escrow agreement) at a stated value of . . . . .	165,000.00
400 shares exchanged for 40 shares of Green Bay Mining and Exploration Limited at a stated value of . . . . .	<u>240.00</u>
	165,240.00

#### Fixed—at cost

Exploration equipment . . . . .	2,542.76
Office furniture and equipment . . . . .	<u>561.35</u>
	3,104.11

#### Deferred Expenses

Development, administrative and incorporation . . . . .	<u>128,635.68</u>
	<u>\$911,242.07</u>

Edmonton, Canada

August 30, 1956

This is the balance sheet referred to in our report of the above date.

*Kennard, Ogden & Co.*



# EXPLORATION LTD.

(the Province of Alberta)

## SHEET

1956

### Liabilities

#### Current

Accounts payable . . . . .	\$ 12,805.07
Due to director . . . . .	<u>6,947.00</u>
<i>Total current liabilities</i>	19,752.07

#### Shareholder's Equity

##### Capital Stock (see note B)

Authorized: 5,000,000 shares with a nominal or par value of 30	
cents per share . . . . .	<u>\$1,500,000.00</u>
Issued and fully paid:	
1,714,520 shares at 30 cents per share . . . . .	\$ 514,356.00

##### Capital Surplus

Arising from the issue of shares at a premium . .	\$237,134.00	
Arising from the sale of 200,000 shares of Twin		
Bay Uranium Limited at a profit of . . . .	<u>140,000.00</u>	<u>377,134.00</u>
		891,490.00

\$911,242.07

Approved on behalf of the Board of Directors

*Michael Phillet*, DIRECTOR

*M. A. Miles*, DIRECTOR

# GREEN BAY MINING & EXPLORATION LTD.

NOTES TO BE READ IN CONJUNCTION WITH THE  
BALANCE SHEET AS AT JUNE 30, 1956

## Note A

### INVESTMENT IN TWIN BAY URANIUM LIMITED

By letter agreement dated April 7, 1956 which was approved by the directors April 12, 1956, Green Bay Mining and Exploration Limited made an offer, which was accepted, to acquire 750,000 shares without nominal or par value of the capital stock of Twin Bay Uranium Limited for a consideration of 34,480 shares of a par value of 30 cents each in the capital stock of Green Bay Mining and Exploration Limited. The equivalent cash value of these shares was stated to be \$225,000.00 by the directors. The 750,000 shares of Twin Bay Uranium Limited are subject to escrow conditions which existed at the date of the agreement. On June 4, 1956 200,000 of the shares of Twin Bay Uranium Limited were released from escrow and sold for one dollar each resulting in a profit of \$140,000.00 which has been credited to capital surplus. The directors' meeting of April 12, 1956 also resolved that an offer be made to acquire the remaining 355,200 issued and outstanding shares of Twin Bay Uranium Limited upon the basis of one share of Green Bay Mining and Exploration Limited for each ten shares of Twin Bay Uranium Limited, and on June 4, 1956 this offer was also extended to the shareholders of the 200,000 shares of Twin Bay Uranium Limited which were sold by the company. An equivalent cash value of \$6.00 per ten shares of Twin Bay Uranium Limited was stated. As of June 30, 1956 400 shares of Twin Bay Uranium Limited have been exchanged under this offer. If the remaining 554,800 shares are exchanged, 55,480 shares of Green Bay Mining and Exploration Limited will be issued as consideration.

## Note B

### Capital Stock

The memorandum of association of the company was amended, by certificate of the Registrar of Joint Stock Companies dated February 1, 1956, to convert its authorized capital from 5,000,000 shares without nominal or par value which could be issued for a maximum consideration of \$1,000,000.00 to \$1,500,000.00 divided into 5,000,000 shares with a nominal or par value of 30 cents. The effect of this change is as follows:

	Number of Shares	Issued Value	Credited to Capital Surplus	Credited to Paid Up Capital
<b>Prior to February 1, 1956</b>				
Issued for properties . . . . .	750,000	\$ 22,500.00		
Issued for cash . . . . .	930,000	503,750.00		
	<u>1,680,000</u>	<u>\$526,250.00</u>		
<b>Subsequent to February 1, 1956</b>				
Issued shares as above converted into 30 cents par value per share . . . . .	1,680,000	\$526,250.00	\$ 22,250.00	\$504,000.00
Issued for 750,000 shares of Twin Bay Uranium Lim- ited . . . . .	34,480	225,000.00	214,656.00	10,344.00
Issued for 400 shares of Twin Bay Uranium Lim- ited . . . . .	40	240.00	228.00	12.00
	<u>1,714,520</u>	<u>\$751,490.00</u>	<u>\$237,134.00</u>	<u>\$514,356.00</u>



# GREEN BAY MINING & EXPLORATION LTD.

## *Statement of Receipts and Disbursements*

*From Incorporation on May 26, 1955 to June 30, 1956*

### **Receipts**

Sale of shares . . . . .	\$503,750.00
Sale of investments . . . . .	35,151.62
Earnings on investments . . . . .	674.00
Sale of 200,000 shares of Twin Bay Uranium Limited . . . . .	200,000.00
Advance from director . . . . .	1,000.00
Drilling costs paid by Twin Bay Uranium Limited . . . . .	1,032.46
	<u>741,608.08</u>

### **Disbursements**

Development . . . . .	\$103,909.28
Administrative and incorporation . . . . .	14,313.10
Purchase of investments . . . . .	35,151.62
Purchase of fixed assets . . . . .	3,046.21
Purchase of mineral claims and leases . . . . .	43,250.00
Payments on options to purchase mineral claims and leases . . . . .	27,000.00
	<u>226,670.21</u>
Excess of receipts over disbursements . . . . .	<u>\$514,937.87</u>

### **Represented by:**

Cash on hand and in banks—June 30, 1956 . . . . .	\$ 34,937.87
Cash on call with foreign investment company at interest . . . . .	480,000.00
	<u>\$514,937.87</u>

## *Schedule of Development Expense*

*for the period from incorporation May 26, 1955 to June 30, 1956*

Diamond drilling contractors . . . . .	\$46,030.55
Sundry development expense . . . . .	7,444.90
Engineers and geologists' fees, reports and expenses . . . . .	29,074.30
Field wages . . . . .	11,909.62
Flying . . . . .	7,855.56
Camp supplies and board . . . . .	5,976.82
Assays . . . . .	1,934.87
Total development expenses . . . . .	<u>\$110,226.62</u>

## *Schedule of Deferred Administrative and Incorporation Expense*

*for the period from incorporation May 26, 1955 to June 30, 1956*

Travel . . . . .	\$ 1,540.26
Office expense, light, telephone, telegraph, rent and general . . . . .	9,135.71
Incorporation expense . . . . .	1,475.80
Legal, audit and accounting . . . . .	6,931.29
	<u>19,083.06</u>
Deduct—dividends received on investments . . . . .	674.00
Total deferred administrative & incorporation expense . . . . .	<u>18,409.06</u>
Development expense—per schedule . . . . .	110,226.62
Total deferred expense . . . . .	<u>\$128,635.68</u>

# Auditors Report

## KINNAIRD AYLEN & COMPANY

CHARTERED ACCOUNTANTS

G. D. K. KINNAIRD, F.C.A.  
B. G. AYLEN, F.C.A.  
J. M. MEIKLE, B. COM., C.A.

218 TEGLER BUILDING  
EDMONTON, ALBERTA

D. L. BRANDELL, B. COM., C.A.  
G. E. PEARSON, B. COM., C.A.  
J. W. STANSBERRY, B. COM., C.A.

August 30, 1956

### *To the Shareholders of Green Bay Mining and Exploration Limited*

We have examined the balance sheet of Green Bay Mining and Exploration Limited and attached notes to the balance sheet and the related statement of receipts and disbursements and supporting schedules for the period from its incorporation on May 26, 1955 to June 30, 1956 and have obtained all the information and explanations we have required. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion and according to the best of our information and the explanations given to us, and as shown by the books of the company, the accompanying balance sheet, notes to the balance sheet, statement of receipts and disbursements, and supporting schedules are properly drawn up so as to exhibit a true and correct view of the state of the affairs of Green Bay Mining and Exploration Limited as at June 30, 1956 and the results of its operations from its incorporation on May 26, 1955 to June 30, in conformity with generally accepted accounting principles.

*Kinnaird, Aylen & Co.*

CHARTERED ACCOUNTANTS





